

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-760-C - ORDER NO. 94-549 ✓
JULY 1, 1994

IN RE: Application of Holley and Langley)
Investments d/b/a Teledata Services) ORDER
for a Certificate of Public) APPROVING
Convenience and Necessity to Resell) CERTIFICATE
Intrastate InterLATA Telecommunications)
Services.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Holley and Langley Investments d/b/a Teledata Services (Teledata or the Company or the Applicant) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-8-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Teledata to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Teledata's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Teledata complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and

Telegraph Company (Southern Bell)¹ and the South Carolina Department of Consumer Affairs (the Consumer Advocate). By letter dated May 27, 1994, the Consumer Advocate informed the Commission that he is satisfied that the services offered by the Applicant are consistent with services approved by the Commission in prior dockets, and, therefore, the Consumer Advocate does not wish to participate in any hearing scheduled in this matter.

Christopher F. Langley, President of the Company, submitted testimony and an affidavit on behalf of the Applicant. Mr. Langley explained Teledata's request for authority. Teledata is a non-facilities based telecommunications reseller, which is requesting authority to provide interexchange telecommunications services from points of origin within South Carolina to points of termination within South Carolina, other parts of the United States, and foreign countries. The Company intends to offer these services primarily to small and medium-sized business establishments.

Mr. Langley testified that Teledata has not heretofore provided intrastate telecommunications service within the state of South Carolina. Mr. Langley stated that Teledata does not provide or intend to provide any 900 telecommunications services in South Carolina. Mr. Langley also offered that Teledata has the necessary managerial, technical, and financial resources and ability to provide the services for which authority is sought. Mr. Langley also stated that Teledata will abide by the

1. Southern Bell subsequently moved to withdraw its Intervention in this Docket and was allowed to withdraw its Intervention by Commission Order dated May 24, 1994.

Commission's Rules and Regulations. Mr. Langley also testified that the issuance of a Certificate of Public Convenience and Necessity to Teledata would be in the public interest as it will increase competition thereby ensuring a wide variety of services and prices, promoting efficient use of the network, and expanding the tax base and revenue services for the state.

After full consideration of the applicable law, the Company's Application, and the testimony and affidavit presented by the Company, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Teledata is incorporated under the laws of the State of North Carolina, and is authorized to transact business in the State of South Carolina as a foreign corporation by the Secretary of State.

2. Teledata operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. Teledata has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Teledata to provide intrastate service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the

Commission.

2. The Commission adopts a rate design for Teledata for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Teledata shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Capital shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Teledata shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order. Further, the tariff shall be filed

with the Commission in a loose-leaf binder.

5. Teledata is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

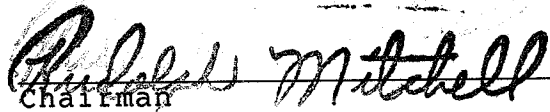
7. Teledata shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. Teledata shall notify the Commission, in writing, of the identity of its underlying carrier(s). If Teledata changes underlying carriers, it shall notify the Commission in writing.

8. Teledata shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. Further, Teledata shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION.


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).